



SBA's EXPORT FINANCE PROGRAMS

The U.S. Small Business Administration (SBA) offers loan guarantees to lenders for export financing of small businesses when firms are not bankable without a government guarantee. SBA guaranteed loans have varying maximum loan size limits with \$2 million the absolute cap that may not be exceeded. Interest rates are market-based, not subsidized and negotiated by bank and borrower. SBA fees vary for loan terms and amounts; a personal guaranty is required and other conditions may apply.

Eligibility

- Meet SBA's size standards for small businesses
- Have been in business for at least 12 continuous months
- For all types of businesses, incl. service exporters
- Also businesses not directly exporting but who produce or sell product / services for export

There are four types of SBA loans to support export financing needs, i.e., export transaction financing, export market development and start-up or long term financing for construction and equipment.

A. EXPORT WORKING CAPITAL PROGRAM [EWCP]

www.sba.gov/financing/loanprog/ewcp.html

For single transactions or multiple sales, i.e., revolving line of credit, the Export Working Capital Program (EWCP) provides working capital loans up to \$2 million to cover pre-shipment or post-shipment financing or both for terms of 12 months or less. Can be used for Stand by Letter of Credit in bid bonds and performance guarantees. SBA fee is 0.25%.

- Pre-shipment: for the manufacture of goods, to purchase finished goods or services for export. WIP eligible.
- Post-shipment: to finance accounts receivable resulting from export sales (180 days maximum).
- Combination: to finance both the acquisition or production of export goods and services and the resulting accounts receivable; especially well-suited for contract financing of export sales.

B. EXPORT EXPRESS

www.sba.gov/financing/loanprog/exportexpress.html

For a variety of export uses, i.e., marketing, transactions, equipment, expansion, etc., Export Express loans are available through designated SBA Express Lenders. This loan program has expedited review and a maximum loan of \$350,000.

C. EXPORT EXPANSION LOAN – ITL

<http://www.sba.gov/financing/sbaloan/7a.html>

This program offers long term financing to support growing export businesses which can be used for fixed asset uses, i.e., construction, buildings, equipment, etc. Companies adversely affected by import competition are also eligible. While the maximum SBA guarantee is usually \$1.5 million, for a combination term and EWCP loan package, the maximum loan guarantee is \$1.75 million.

D. 504 LOAN PROGRAM

www.sba.gov/financing/sbaloan/cdc504.html

Major business expansion, equipment, construction and modernization financing for long term [10 or 20 years] and fixed rates based on U.S. Treasury notes is available through SBA designated CDCs (Community Development Corporation) and requires at least 10% equity participation by the borrower.

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